

# Q1 2023

Diös Fastigheter Interim Report January-March 2023

” The office is the hub of a city and we are wholeheartedly investing in modern, flexible offices in all our cities.

Therese Borssén, Business Developer, Offices

Diös



## Highlights for the quarter

- Revenue increased by 14 per cent to SEK 617m (539).
- Net leasing was SEK 3m (22).
- Property management income decreased by 19 per cent to SEK 220million (271).
- Unrealised changes in value of properties were SEK -564m (533) and unrealised changes in value of derivatives were SEK -79m (88).
- The profit after tax was SEK -333m (708).
- Earnings per share were SEK -2.36 (5.00).

## Summary of earnings, SEKm

	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 mos Jan-Dec
Revenue	617	539	2,209
Operating surplus	389	336	1,469
Property management income	220	271	1,081
Profit before tax	-423	892	1,045
Profit after tax	-333	708	830
Surplus ratio, %	64	65	68
Occupancy rate, %	92	90	91
Return on equity, %	-1.7	22.6	7.0
Property management income per share, SEK	7.3	7.8	7.6
Equity ratio, %	37.4	40.8	38.1
Property loan-to-value ratio, %	53.7	49.3	51.9
Interest coverage ratio, times	2.5	6.8	4.6
Equity per share, SEK	83.2	88.2	85.6
EPRA NRV per share, SEK	98.1	103.1	100.5

There is no dilutive effect, as no potential shares (such as convertibles) exist.

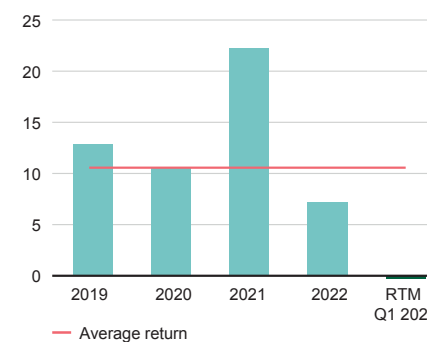
## Significant events during the quarter

- Diös ties its loans with Handelsbanken to sustainability, which creates even stronger incentives for long-term sustainability work and improves the opportunities for lower interest rates.
- The police station in Umeå, a new production project, is being completed with a 15-year contract and approximately SEK 20m in annual rental income.
- The property Magne 5 is environmentally certified according to BREEAM-SE, very good.

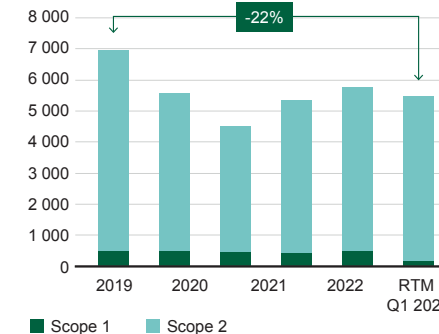
## Target follow-up

Our two main targets are to reach an average return on equity over a five-year period of at least 12 per cent, and to reduce our carbon dioxide emissions by 50 per cent by 2030, compared with the base year 2018.

### Return on equity, %



### Greenhouse gas emissions, tonnes CO<sub>2</sub>e



## Chief Executive's review

# Our strong market and high level of activity inspire confidence in the future

**We summarise the first quarter with a positive net leasing and continued strong interest in our market. I can note that our properties are in attractive locations in the right cities to receive new establishments and develop our rent levels. Rental income increased by 17 per cent compared with the same period in the previous year, and despite high inflation and a more uncertain macroeconomic development, we are delivering a very good operating profit.**

Rental income increased by 17 per cent compared with the first quarter of 2022, driven by upwards index adjustment, renegotiations and an increased occupancy rate. The occupancy rate was 92 per cent, which is the highest ever and proof of our active letting work and a strong market. The surplus ratio was 64 per cent, which is strong for a first quarter. Compared with the previous year, we have higher costs for snow removal due to a snowy winter. Our interest expenses are increasing due to rising market interest rates and a relatively short fixed-interest term. During the quarter, we restructured the derivative portfolio and extended our fixed-interest term to provide protection for even higher interest rates. The capital market is starting to function better and we have positive dialogues with our banks and I feel confident about future refinancing. We have raised the direct return requirement by 0.11 percent to 5.85 percent, which contributed to an unrealized value development on our properties of SEK -564 million.

The inflation rate rose in 2022, but the inflation peak is now behind us in my assessment. We have had higher price levels in society, but also higher rent levels as a result of the index adjustment we have in our lease agreements. When the inflation rate declines, I think that uncertainty among tenants and investors will decrease and we will see higher activity in the transaction market and new leases will increase.

We see the extensive interest in our market as a ray of light. Our properties are located in the right cities and it is exciting that we are now offering rents for new production in the office segment of nearly SEK 3,000/sq.m. New production moves top rent levels and gives us better opportunities to renegotiate existing leases at higher levels than before.

Net leasing remains positive and amounted to SEK 3m during the quarter. Examples of major lettings and renegotiations made during the quarter are the Swedish National Government Service Centre in Sundsvall and in Luleå and Sweco in Luleå. At present, we have offered approximately 30,000 sq.m. to prospective tenants, which de facto further strengthens the interest we are experiencing in our market.

## ” Our properties are in the right place in the right cities.

The tenant adaptations completed during the quarter are delivering as decided with a direct yield of around 8 per cent. The larger projects also are delivering as decided and according to plan, which is contributing to increased rental income, higher rent levels and increased cash flow. The latest new production project – the police station in Umeå – was handed over to the tenant during the quarter and contributes approximately SEK 20m in annual rental income. At the beginning of the year, we broke ground on the Vale block project in central Umeå, which includes an office for the Swedish Social Insurance Agency and residential properties. The homes, which are being sold as tenant-owner apartments, have a very attractive location and there is already extensive interest in the apartments.

In the media, our market – northern Sweden – is often mentioned in the context of the huge industrial investments that are being made in connection with the green transition regarding, among other things, fossil-free steel and battery production. Our business linked to these investments will be to provide all the

stakeholders around these industries with suitable premises. We also see that municipal executives, politicians and civil servants are increasingly working together, with a shared drive for development. We see an understanding that cooperation is needed with the business community, municipalities and academia to achieve success, but there is a lot to do as to permit processes, among other things, in order to further increase the pace.

Every day at work, I am met by my fantastic colleagues who are energising and contribute to a positive business culture in the company. Our shared drive is about high activity and that we measure results based on action plans that are directly linked to our strong operating profit. I am convinced that we have only seen the beginning of what reflects an interesting market in our geography and I am looking forward to an intense and exciting journey ahead. Together with other actors in northern Sweden, we are creating new business in the largest green growth revolution of our time. With my colleagues, our secure and stable owners and a very interesting investor market, we will continue to deliver shareholder value.



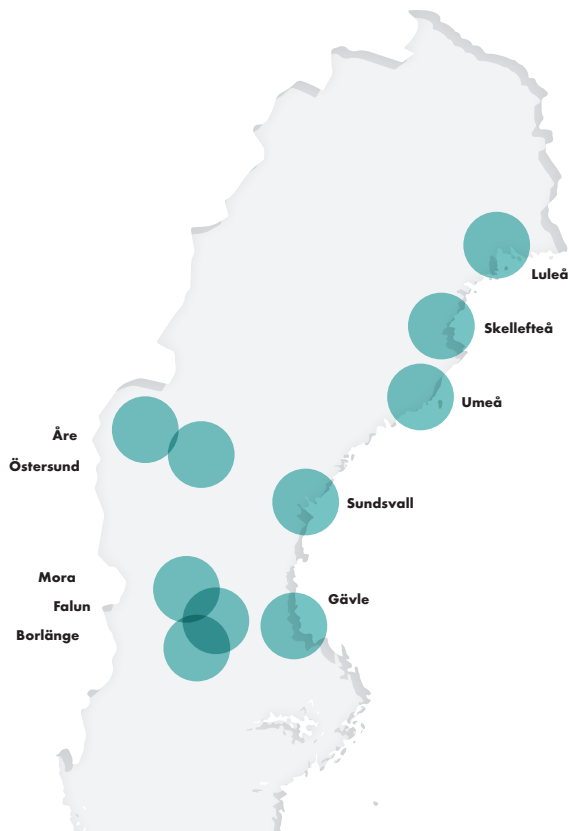
Knut Rost, CEO



# This is Diös

We are a commercial property company with a unique position in our 10 growth cities in northern Sweden. The foundation of our business is lettings & property management, projects & business development and transactions.

Our offer is about commercial premises – primarily offices – in the right location, for the right tenant as well as in the right property, neighbourhood and district.



## Vision

To create Sweden's most inspiring cities.



## Mission

To create Sweden's most attractive places with the right content, where people want to be, live, work and meet.



## Core values

**Simple.** We are clear, open and honest.

**Close.** We are interested, listen and are available.

**Active.** We turn words into action, take our responsibility and have the courage to make decisions.



## Our promise to tenants

**Everything is possible!**

We want our tenants to do well and everything is possible! Our tenants are our primary focus – if they thrive, we thrive.



## BUSINESS CONCEPT

By building good relationships, using our pool of knowledge and taking responsibility, we develop properties in selected growth cities and create sustainable long-term value for our tenants and our owners.



## Our DNA

We have implementation capacity and strong local support and we focus on cooperation. We act on trends and impact factors where we capture opportunities and changing needs. Ideas form the basis of our development.



# 361

No. of properties



# 30.9

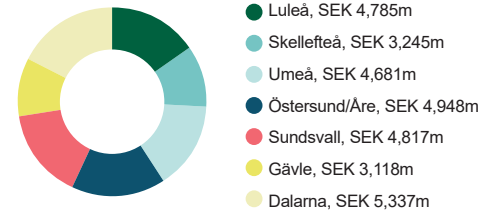
Property value, SEKbn



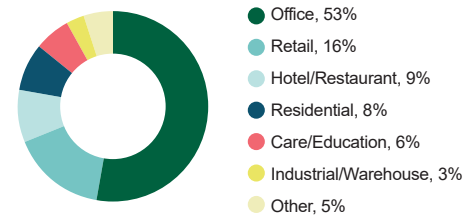
# 1,628

Leasable area, thousand sq.m.

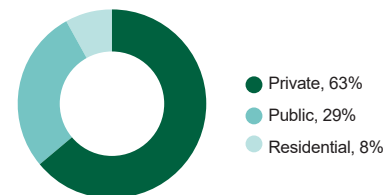
## Property value per business unit, SEKm



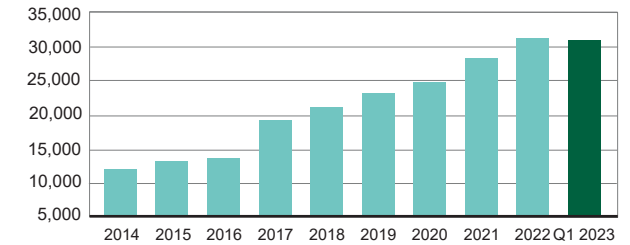
## Rental value by type of premises, %



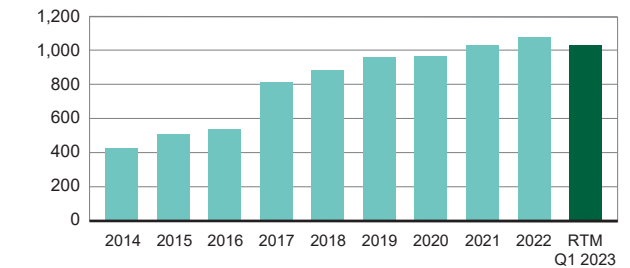
## Contract value by category, %



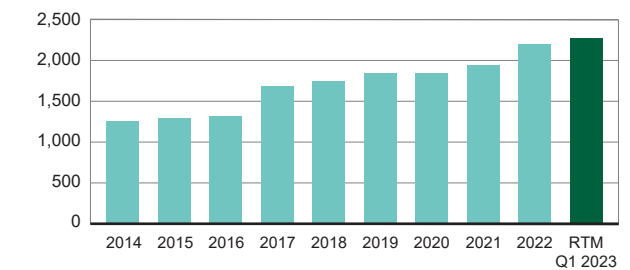
## Property value, SEKm



## Property management income, SEKm



## Rental income, SEKm



## Current projects



**City:** Luleå

**Property:** Biet 4, Västra Stranden

**Type of project:** Offices

**Leasable area:** 4,920 sq.m.

**Completed:** Q2 2024

**Tenant:** Swedish Social Insurance Agency

**Investment:**

**SEK  
206m**

” Major investments are under way in northern Sweden, where our project investments contribute to the cities’ attractiveness.



**City:** Luleå

**Property:** Porsön 1:446

**Type of project:** Offices

**Leasable area:** 5,452 sq.m.

**Completed:** Q2 2023

**Tenant:** Swedish Pensions Agency, etc.

**Investment:**

**SEK  
182m**



**City:** BORLÄNGE

**Property:** Mimer 1

**Type of project:** Education/training

**Leasable area:** 13,332 sq.m.

**Completed:** Q2 2024

**Tenant:** Dalarna University

**Investment:**

**SEK  
484m**



**City:** Umeå

**Property:** Vale 17, The Vale block

**Type of project:** Offices, homes and premises for urban service

**Leasable area:** 7,830 sq.m.

**Completed:** Q1 2025

**Investment:**

**SEK  
338m**

# Sustainability

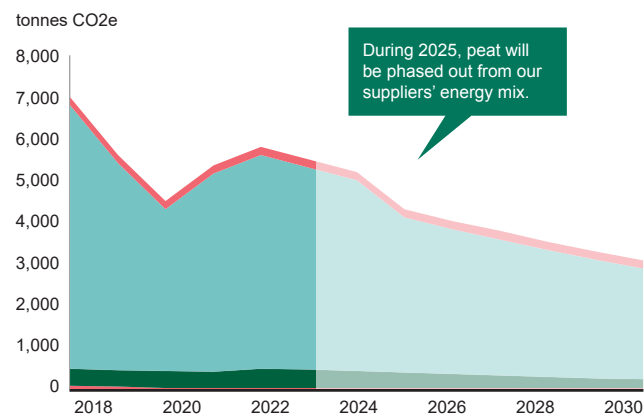
**We invest in our property portfolio to make it more attractive, more resource efficient and more climate adapted. We want to take financial, environmental and social responsibility throughout the business model to match the demand from our tenants, employees and shareholders.**

## Climate targets

Diös' climate target means that we seek to reduce our direct carbon dioxide emissions and emissions from purchased energy by at least 50 per cent by 2030 compared with 2018, in order to reach net zero by 2045, and take responsibility for the company's impact in the value chain. Our emissions from purchased energy are presented according to the market-based method of the GHG protocol. The target has been reviewed and approved by the Science Based Target initiative, SBTi.

A complete emissions statement was presented in the Annual Report for 2022.

## Climate target follow-up, SBTi



**55% green properties by 2026** is one of Diös' company targets. The goal is to drive development of our property portfolio and is measured as a percentage of the market value. Today, 12 per cent of the portfolio meets our criteria regarding environmental certification, climate risk analysis and primary energy figures to be classified as a green property.

**27%** of the property value is certified at the lowest rating "very good" (BREEAM) or equivalent.

**28%** of the property value has undergone a climate risk analysis.

**45%** of the property value has a primary energy figure of less than 85kWh/sq.m., Atemp

## Direct emissions and emissions from purchased energy, scope 1 and 2

Our emissions in this category consist mostly of emissions from district heating, emissions that are strongly linked to outdoor temperatures. Our energy work aims to create a good indoor environment for our tenants with the most efficient energy use possible.

Focusing on energy and power optimisation contributes both to low energy costs for operations and to low climate impact.

## Indirect emissions, scope 3

Our climate survey shows that construction production is the largest emissions item over which we have control. We are working to develop, ensure and collect statistics from these emissions. Emissions from business trips and private cars are a small part of our emissions and are therefore only monitored on an annual basis.

The measures we planned during the year to reduce our emissions from construction production are presented below.

## Greenhouse gases, tonnes CO<sub>2</sub>e

	2023 Jan-Mar	2022	2018 <sup>1</sup>
<b>Scope 1</b>			
Fuel	13	51	92
Refrigerant <sup>2</sup>	113	450	450
<b>Total scope 1</b>	<b>125</b>	<b>501</b>	<b>542</b>
<b>Scope 2</b>			
Electricity	0.06	0.26	0.26
District heating and cooling	2,075	5,298	6,480
<b>Total scope 2</b>	<b>2,075</b>	<b>5,298</b>	<b>6,480</b>

At 31 Dec 2022, the history was recalculated with more detailed statistics.

<sup>1</sup> Reference year.

<sup>2</sup> Emissions from the refrigerant leaks were adjusted during 2022 and are now based on historical data from our cooling plants and replace the previously estimated figure.

## Planned activities 2023

Reuse of the framework of the New Campus Borlänge project

Educating construction contractors to increase competence in our projects

Implementing reuse inventories in all renovation projects

Lowering the emission intensity of new production by carrying out early climate calculations

Changing our requirements to taxonomy-aligned environmental certifications

# Energy

Energy is an important issue for our business, our offering and our climate work. We buy origin-labelled electricity from renewable energy sources for our entire portfolio. Diös' energy savings target of -3 per cent per year creates the conditions for us to reach the company's target of cutting emissions in half by 2030.

## Energy consumption for comparable portfolio

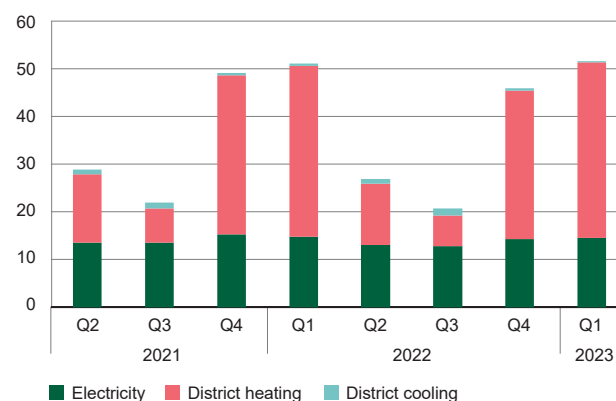
		2023 3 months Jan-Mar	2022 3 months Jan-Mar	2022 12 months Jan-Dec
Electricity	kWh/sq.m Atemp	12.1	12.3	42.8
District heating	kWh/sq.m Atemp	33.4	33.9	70.8
District cooling	kWh/sq.m Atemp	1.6	2.2	14.3

### Comment and analysis

For the first quarter of 2023, we achieved energy efficiency improvement of -1.4 per cent for electricity and district heating in a comparable portfolio. We see the outcome of a systematic energy efficiency and optimisation work at several of our business units. In Umeå and Östersund/Åre, we have improved energy efficiency by 6 per cent and 4 per cent, respectively. At two business units, we have leases where we moved new tenants into larger premises that were previously empty, which requires us to increase our focus on the energy issue in order to reach the annual target of -3 per cent.

*We do not include district cooling in the energy efficiency improvement target as data quality and coverage for the statistics are of lower quality, which means that data are more likely to be forecast. In addition, district cooling accounts for a small part of our total energy use and accordingly has a marginal impact.*

## Actual energy use per quarter, kWh/sq.m. leasable area



### Comment and analysis

Energy costs and climate impact from purchased energy are directly linked to actual energy use. The diagram shows actual energy use (not normal-year-adjusted district heating) divided by total leasable area. Actual energy use largely depends on outdoor temperature, hours of sunshine and wind. The power costs are a large part of the total energy cost, which further strengthens the link between cost and outdoor temperature.

By signing green leases, we involve the tenants in order to find common solutions and create commitment to energy efficiency improvement that benefits both parties.

## Reuse in new production

# Vale block, Umeå

**In central Umeå, project engineering is under way for flexible office solutions, premises for urban service and well-planned homes with a view towards Vasaplan in the property Vale 17.**

The building is being designed with a high environmental profile and sustainability performance. The office section will be certified according to the BREEAM In-Use certification system with the ambition of reaching the rating *very good* and the residential section will be certified based on the Nordic Svan label.

In the early stages, a reuse inventory was carried out where we to-date have reused door closers, lighting, fittings, sanitary items, kitchen fittings, ventilation baffles and roller archives in the project.

In the project, existing basement tiles, basement walls and shelter rooms are reused on land that has been used in the past.

The requirements of the EU taxonomy for newly produced buildings shall be complied with as far as possible. An early climate assessment has been carried out that will be updated in accordance with the Climate Declarations Act and at least 50 per cent of the construction products' climate impact is based on product-specific environmental product declarations, EPD.

In addition, low-cost water fittings will be installed and a digital log book has been established for the project. A climate risk inventory is being carried out to detect possible climate risks surrounding the property and how they can best be addressed.

The block is scheduled for completion in 2026.





# Income statement

## Condensed consolidated income statement and statement of comprehensive income, SEKm

	Note	2023 3 months Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
<b>INCOME STATEMENT</b>				
Rental income		568	484	1,789
Service income		49	55	420
Other income		-	-	-
Total income	1	617	539	2,209
Property costs	2	-228	-203	-740
Operating surplus	3	389	336	1,469
Central administration	4	-20	-18	-90
Net financial items	5	-149	-47	-298
Property management income	6	220	271	1,081
Change in value, properties	7	-564	533	-140
Change in value, interest rate derivatives	8	-79	88	104
Profit before tax	9	-423	892	1,045
Current tax	10	-8	-20	-16
Deferred tax	10	98	-164	-199
Profit after tax		-333	708	830
Profit attributable to shareholders of the parent company		-333	708	830
Profit attributable to non-controlling interests		-	-	-
Total		-333	708	830
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
Profit after tax		-333	708	830
Comprehensive income for the period		-333	708	830
Comprehensive income attributable to shareholders of the parent company		-333	708	830
Comprehensive income attributable to non-controlling interests		-	-	-
Total		-333	708	830
Earnings per share, SEK		-2.36	5.00	5.87
Number of shares outstanding at end of period		141,430,947	141,430,947	141,430,947
Average number of shares		141,430,947	141,417,383	141,427,602
Number of treasury shares at the end of the period		354,218	354,218	354,218
Average number of treasury shares		354,218	367,782	357,563

There is no dilutive effect, as no potential shares (such as convertibles) exist.

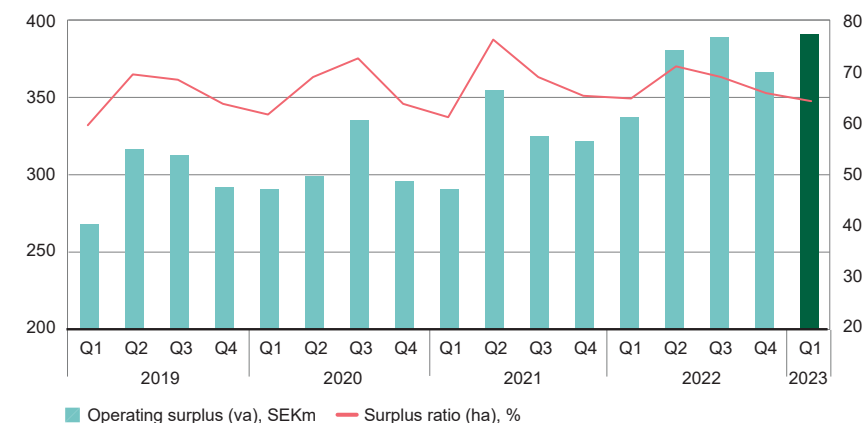
The accounting policies are presented on page 28.

Columns/rows may not add up due to rounding.

## Property management income per share



## Operating surplus and surplus ratio



## Earnings analysis January-March 2023

### Note 1 Revenue

Revenue for the quarter was SEK 617m (539) and the economic occupancy rate was 92 per cent (90). In a comparable portfolio, contracted rental income, excluding project properties, increased by 10.6 per cent in the quarter compared with the previous year. Other property management income totalled SEK 10m (19) and consisted mainly of the costs of work on leased premises that are passed on to tenants. Of our commercial leases, 96 per cent have upward index adjustments, where 93 per cent have a CPI adjustment and 3 per cent a fixed upwards adjustment.

REVENUE GROWTH	2023 Jan-Mar	2022 Jan-Mar	Change %
Comparable properties	553	500	10.6
Projects in progress	9	9	
Completed projects	28	11	
Acquired properties	18	0	
Sold properties	0	0	
<b>Contracted rental income</b>	<b>607</b>	<b>520</b>	
Other property management income	10	19	
<b>Revenue</b>	<b>617</b>	<b>539</b>	

### Note 2 Property costs

The property costs for the quarter were SEK 228m (203). The increase in costs is related to a larger property portfolio and higher winter-related costs due to a winter with more snow than in the previous year. Of the total property costs, SEK 8m (7) refers to work on leased premises where the costs are passed on to tenants.

### Note 3 Operating surplus

The operating surplus was SEK 389m (336) and the surplus ratio was 64 per cent (65). For comparable properties, operating surplus increased by 8.7 per cent compared with the first quarter of the previous year.

### Note 4 Central administration

The central administration expense was SEK 20m (18). Central administration includes Group-wide costs for staff functions, such as IT, annual reports, auditors' fees, legal advice and so on.

### Note 5 Net financial items

Net financial items for the quarter were SEK -149m (-47). The higher cost is mainly related to higher market interest rates and larger net debt. The interest costs for the quarter, including costs for interest rate derivatives and loan commitments, represent borrowings at an average annual interest rate of 3.7 per cent (1.1).

### Note 6 Property management income

Property management income for the quarter, i.e. income excluding changes in value and tax, was SEK 220m (271). This is a decrease of 19 per cent compared with the previous year. For comparable properties, property management income decreased by 24.1 per cent compared with the fourth quarter of the previous year.



Jörgen Johansson, Commercial Manager, Julia Flink, Sustainability Specialist, and Göran Fonzén, Business Manager, at the tenant, the Swedish Transport Administration in Umeå.



Henrik Sjöstrand, Transaction Manager.

## Earnings analysis January–March 2023, continued

### Note 7 Changes in value, properties

The average direct yield requirement in the valuation at the end of the quarter was 5.85 per cent (5.47), an increase of 0.11 per cent since the end of the year. The unrealised change in value for the quarter was SEK -564m (533), the realised change in value was SEK 0m (1). The unrealised change in value is attributable to a higher direct yield requirement driven primarily by generally higher market interest rates. For more information, see Note 11. At 31 March, the market value was SEK 30,931m (29,847).

During the quarter, 0 properties (9) were acquired while 2 properties (8) were divested.

UNREALISED CHANGES IN VALUE, PROPERTIES, SEK M	2023 3 mos. Jan-Mar	2022 3 mos. Jan-Mar
Investment properties	-504	570
Project properties	-54	-40
Development rights	-6	3
<b>Unrealised change in value</b>	<b>-564</b>	<b>533</b>

### Note 8 Changes in value, derivatives

The portfolio of interest rate derivatives has been measured at fair value. If the contracted interest rate deviates from the market rate, a theoretical fair value gain or loss arises on the interest rate derivatives. The change in value has not been realised and does not affect cash flow.

During the quarter, unrealised changes in value on derivatives totalled SEK -79m (88), which have been fully recognised in the income statement. The change in value is attributable to restructuring in the derivatives portfolio, falling market interest rates and a shorter period to maturity.

### Note 9 Profit before tax

The loss before tax was SEK 423m (profit: 892). The change in earnings is mainly due to negative unrealised changes in the value of properties and derivative instruments and higher interest expenses compared to the previous year.

### Note 10 Tax

The nominal corporate tax rate in Sweden is 20.6 per cent. There are no tax loss carry-forwards in the Group. The Group also has untaxed reserves of SEK 480m (467). The fair value of the properties exceeds their tax value by SEK 15,788m (16,195). Deferred tax has been calculated at 10,549 (10,956). The difference is attributable to deferred tax on asset acquisitions. Diös has no ongoing tax disputes.

TAX CALCULATION, SEK M	2023 3 mos Jan-Mar
Profit before tax	-423
Nominal tax rate 20.6%	87
Other tax adjustments	2
Reported tax expense	89
<i>Of which current tax</i>	-8
<i>Of which deferred tax</i>	98

Current tax was SEK -8m (-20) and deferred tax was SEK 98m (-164). The change in deferred tax is attributable to the unrealised changes in value.

# Our tenants

## Tenants

Our tenant base is well diversified geographically and in terms of industry. There were 3,204 premises leases (3,098) and there were 2,267 residential leases (2,008). The ten largest tenants represent 18 per cent (16) of Diös' total contracted rental income. At 31 March, 29 per cent of contracted rental income came from tenants engaged in activities on behalf of the central government, county councils, local authorities or activities funded with municipal school vouchers. The share of commercial green leases is 14 per cent of the annual contract value.

## Net leasing

Net leasing for the quarter was SEK 3m (22). Major lettings during the quarter were to Coop in Idun 10, Skellefteå and the National Government Service Centre in Badhuset 1, Sundsvall.

## Lease term

The average contract term for commercial premises at 31 March was 4.2 years (4.3).

## Vacancies

At 31 March, the economic vacancy rate was 8 per cent (9) while the vacant area was 12 per cent (13). Adjusted for project-related and non-leasable vacancies<sup>1</sup>, the physical vacancy rate was 11 per cent. Economic vacancies are highest in office and retail premises while physical vacancies are highest in office and industrial premises.

<sup>1</sup> Project-related and non-leasable vacancies are sites that have been vacated for new builds and conversion, plus premises that have already been leased but are not yet occupied.

## Our largest tenants at 31 March 2023

	No. of contracts	Annual contract value <sup>1</sup> , SEK '000	Average lease term <sup>1</sup> , years
⊗ Swedish Transport Administration	21	99,930	6.9
⊗ Swedish Police Authority	41	62,635	6.7
Nordic Choice Hotels	5	59,576	15.1
⊗ Swedish Public Employment Service	24	39,182	2.0
⊗ Municipality of Falun	12	35,084	7.1
⊗ Östersund Local Authority	74	33,517	1.9
⊗ Swedish Social Insurance Agency	23	29,895	2.2
Swedbank AB	13	25,584	2.5
Scandic Hotels AB	3	25,383	11.1
Telia Sverige AB	31	24,469	7.0
<b>Total</b>	<b>247</b>	<b>435,255</b>	<b>6.9</b>

⊗ Tenants with operations on behalf of the central, regional or local government sectors are financed with municipal school funding.

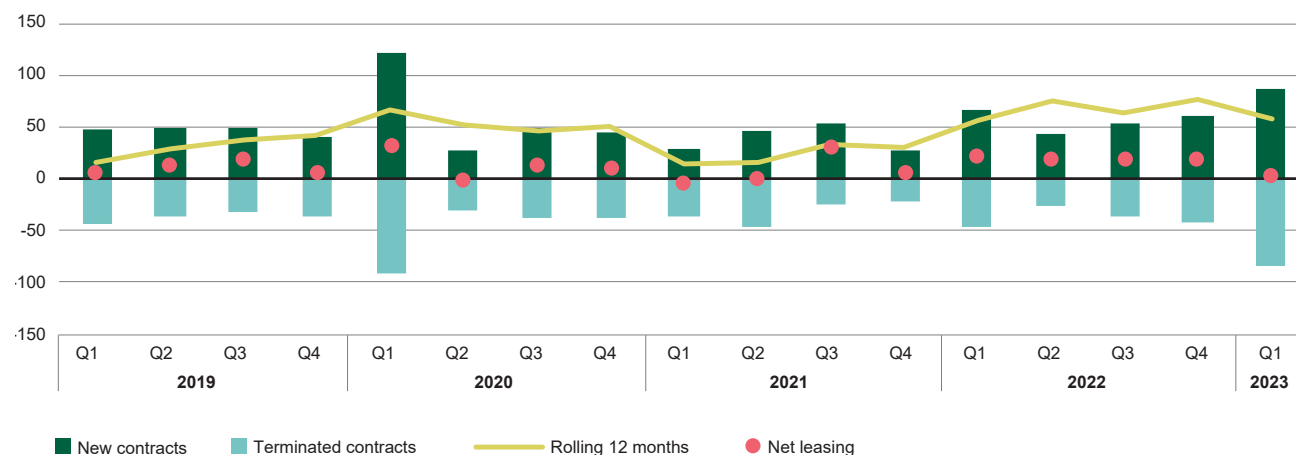
<sup>1</sup> Includes contracts with completion dates in the future.

## Leases and maturities

	Number contracts	Contract value, SEKm	Share of value, %
<b>Leases for premises, maturity year</b>			
2023	685	134	6
2024	992	538	22
2025	651	411	17
2026	591	390	16
2027+	285	682	28
<b>Total</b>	<b>3,204</b>	<b>2,153</b>	<b>89</b>
Residential	2,267	192	8
Other leases <sup>1</sup>	2,097	62	3
<b>Total</b>	<b>7,568</b>	<b>2,406</b>	<b>100</b>

<sup>1</sup> Other leases refer mainly to garage and parking spaces.

## Net leasing, SEKm





# Balance sheet and equity

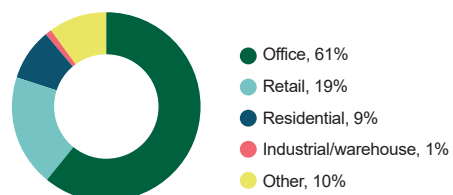
## Condensed consolidated balance sheet, SEKm

ASSETS	Note	2023 31 Mar	2022 31 Mar	2022 31 Dec
Investment properties	11	30,931	29,847	31,136
Other non-current assets		95	71	77
Derivative instruments		64	126	143
Current receivables		340	265	289
Cash and cash equivalents	14	58	247	88
<b>Total assets</b>		<b>31,488</b>	<b>30,555</b>	<b>31,733</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	12	11,768	12,471	12,102
Deferred tax liability		2,285	2,345	2,383
Liabilities to credit institutions	13	9,864	12,144	10,781
Non-current lease liability		68	54	52
Other non-current liabilities		17	-	17
Current portion of liabilities to credit institutions	13	6,804	2,829	5,478
Overdraft facilities	14	-	-	-
Current liabilities		682	712	920
<b>Total equity and liabilities</b>		<b>31,488</b>	<b>30,555</b>	<b>31,733</b>

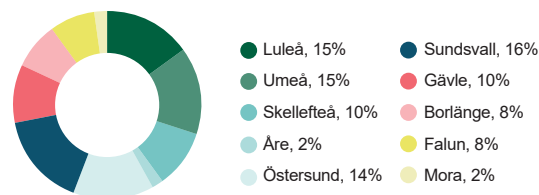
## Condensed statement of changes in equity, SEKm

	Equity	Of which attributable to shareholders of the parent company	Of which attributable to non- controlling interests
<b>Equity, 31 Dec 2021</b>	<b>11,823</b>	<b>11,749</b>	<b>74</b>
<i>Profit for the period after tax</i>	830	830	0
<b>Comprehensive income for the period</b>	<b>830</b>	<b>830</b>	<b>0</b>
<i>Sale of own shares</i>	9	9	-
<i>Acquisition of minority interests</i>	-65	8	-74
<i>Dividend</i>	-496	-496	-
<b>Equity, 31 December 2022</b>	<b>12,102</b>	<b>12,102</b>	<b>0</b>
<i>Profit for the period after tax</i>	-333	-333	0
<b>Comprehensive income for the period</b>	<b>-333</b>	<b>-333</b>	<b>0</b>
<b>Equity, 31 March 2023</b>	<b>11,768</b>	<b>11,768</b>	<b>0</b>

## Property value per category



## Property value per city



# Comments on the balance sheet

## Note 11 Investment properties and property value

The property portfolio is concentrated to central locations in ten priority cities in northern Sweden. The portfolio is well diversified and primarily consists of office properties, premises for urban service and residential properties.

	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>PROPERTY PORTFOLIO</b>	<b>SEKm</b>	<b>SEKm</b>	<b>SEKm</b>
Management portfolio	27,929	26,977	28,246
Project properties	2,859	2,761	2,757
Development rights	143	109	133
<b>Total investment properties</b>	<b>30,931</b>	<b>29,847</b>	<b>31,136</b>

## Property value

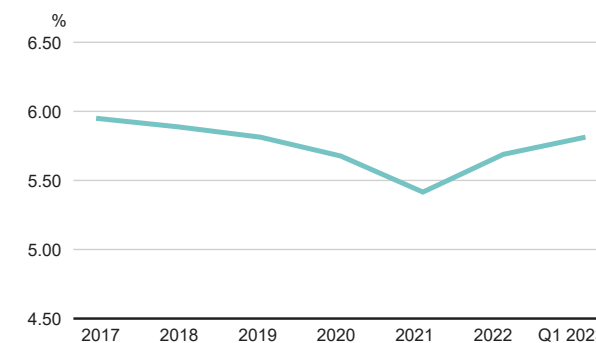
All properties are valued at each quarterly closing with the aim of determining the individual value of the properties in the event of a sale. Any portfolio effects are thus not taken into account. At the time of valuation on 31 March 2023, 85 per cent of the property value had been externally valued by CBRE. The valuations are based on a cash flow model with an individual assessment for each property of both future earning capacity and market return requirements. In assessing a property's future earning capacity, in addition to the inflation assumption of 5 per cent for 2023 and 2 per cent in the long term, the estimated market rents have been taken into account in contract maturity, occupancy rate and property costs. The market's return requirements are determined by an analysis of completed property transactions for properties with a similar standard and location. Projects and project properties have been valued according to the same principle but with deductions for remaining investment. Development rights have been valued on the basis of an estimated market value in SEK/sq.m. of gross floor space for established building rights. The average value of the development rights in the valuation is approximately SEK 1,300/sq.m. gross floor space. The valuations are in accordance with IFRS 13 level 3.

## Change in property value

	31 Mar 2023		31 Mar 2022		31 Dec 2022	
	SEKm	Number of	SEKm	Number of	SEKm	Number
<b>Value of property portfolio, 1 Jan</b>	<b>31,136</b>	<b>363</b>	<b>27,993</b>	<b>340</b>	<b>27,993</b>	<b>340</b>
Acquisitions	-	-	1,015	9	2,004	28
Investments in new builds, extensions and conversions	360	-	307	-	1,307	-
SALES	0	-2	-1	-8	-18	-10
Unrealised changes in value	-564	-	533	-	-150	-
<b>Value of property portfolio at end of period</b>	<b>30,931</b>	<b>361</b>	<b>29,847</b>	<b>339<sup>1</sup></b>	<b>31,136</b>	<b>363<sup>1</sup></b>

<sup>1</sup> Property reallocation has affected the number of properties.

## Yield for assessing residual value, %



## Valuation assumptions per property category

	31 Mar 2023					31 Dec 2022				
	Offices	Retail	Residential	Industrial/warehouse	Other	Office	Retail	Residential	Industrial/warehouse	Other
Rental value, SEK per sq.m	1,749	1,864	1,439	879	1,508	1,745	1,868	1,422	789	1,502
Operations & maintenance, SEK per sq.m.	374	480	462	236	353	368	477	459	237	345
Yield for assessing residual value, %	5.9	6.2	4.5	5.9	5.9	5.8	6.1	4.4	5.8	5.8
Cost of capital for discounting to present value, %	8.3	8.7	6.9	8.4	8.3	8.2	8.6	6.9	8.3	8.2
Long-term vacancy, %	6.4	6.8	3.3	10.0	5.6	6.3	6.6	3.5	10.1	5.6

The valuation model is usually based on a calculation period of 10 years or longer if actual leases with a duration of more than 10 years exist. The figures not in comparable property stocks.

## Sensitivity analysis per property category, SEK '000s

	Offices		Retail		Residential		Industrial		Other business		Total	
Rental value, +/- SEK 50 per sq.m.	677,758	-677,758	312,277	-312,277	146,951	-146,951	60,155	-60,155	159,846	-159,846	1,356,988	-1,356,988
Operations & maintenance, +/- SEK 25 per sq.m.	-338,879	338,879	-152,160	152,160	-73,476	73,476	-30,078	30,078	-79,923	79,923	-674,516	674,516
Yield, +/- 0.5%	-781,881	931,721	-306,830	360,913	-170,724	215,482	-33,059	40,388	-142,509	169,293	-1,435,004	1,717,796
Cost of capital, +/- 0.5%	-597,512	626,315	-255,517	268,066	-96,689	101,487	-31,063	32,912	-138,428	146,502	-1,119,208	1,175,283
Long-term vacancy rate, +/- 1%	-210,903	210,903	-97,572	97,572	-33,056	33,047	-8,525	8,525	-37,354	33,458	-387,410	383,505

## Comments on the balance sheet, continued

### Investments

During the quarter, SEK 360m (1,322<sup>1</sup>) was invested, of which SEK 0m (1,015) was related to property acquisitions.

Ongoing projects and investments are continuing according to plan. Demand for tenant adaptations remains good, while current market conditions have led us to postpone some project starts, especially for residential production.

<sup>1</sup> The comparative figures in comments to the balance sheet correspond to the previous financial year.

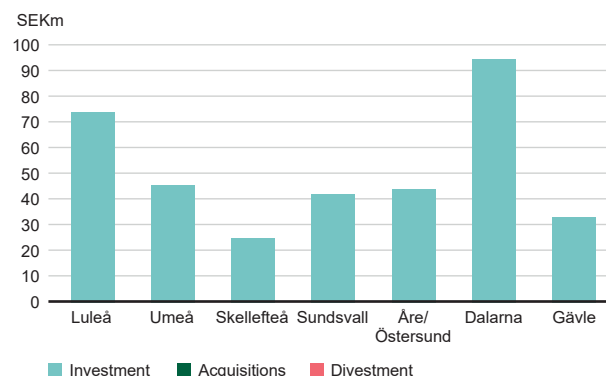
INVESTMENTS	31 Mar 2023	31 Mar 2022	31 Dec 2022
Investments in new builds	58	93	275
Investments in improvement properties	121	81	339
Investments in tenant adaptations	181	132	693
<b>Total</b>	<b>360</b>	<b>307</b>	<b>1,307</b>

### Acquisitions

No property acquisitions were made during the quarter.

### Divestments

During the quarter, 2 plots were divested.



### Project portfolio

We have an ongoing project portfolio of SEK 4,121m, of which SEK 2,477m was earned at 31 March. We are continuously investing in the portfolio to improve, adapt and enhance the efficiency of our premises for our tenants. Our investments, excluding project profits, contributed to an increase in the property portfolio's value by SEK 360m for the period. Investments in our existing portfolio comprise new builds, conversions and extensions as well as energy-saving measures. The return on completed investments for the period was 7.7 per cent on the invested amount while the return on our ongoing projects was 5.4 per cent.

### Project properties

There are 9 project properties with a market value of SEK 2,859m. No new project properties were created during the quarter. As at 31 March, the occupancy rate for the project properties was 100 per cent. The total estimated investment is SEK 2,531m, where the produced investment at 31 March was SEK 1,770m.

### Major projects completed

During the quarter, the development project in the property Aeolus 5 in Sundsvall was completed. The project was aimed at converting office premises into modern homes. The investment was SEK 48m and related to 2,597 sq.m. divided into 46 apartments.

### Development rights

We have an identified development rights volume of approximately 200,000 sq.m. gross floor space. This volume includes both established and potential development rights for both residential and commercial premises. Approximately 50 per cent of the development rights volume is attributable to commercial premises. Our ambition is to continuously create new development rights for either our own production or for sales. In the first quarter of 2023, five new development rights were taken up for valuation.

### Property transactions January-March 2023

#### SOLD AND COMPLETED ON

Property	Quarter	City	Area, sq.m.	Price <sup>2</sup> , SEKm
Plots Arvesund	1	Åre	-	0.4
<b>Total</b>			-	<b>0.4</b>

<sup>2</sup> Underlying property value.

” **An active effort to prepare development rights for new establishments is an important part of strengthening our business through new business.**



Michael Nordström, Property Technician, Stefan Jönsson, Technical Property Manager, and Nina Uibo, Property Technician, Östersund.

## Project properties

Type	City	Property	Property type	Leasable area, sq.m.	Occupancy rate, %	Investment, SEKm	Produced investment, SEKm	Rental value, SEKm	Completed	Environmental category
<b>Projects in progress</b>										
Improvement	Sundsvall	Glädjen 4.9	Office	1,870	100	51	40	5.2	Q2 2023	BREEAM In-Use, planned 2023
New build	Luleå	Porsön 1:446	Office	5,452	100	182	128	11.7	Q2 2023	BREEAM-SE, planned 2023
Improvement	Borlänge	Mimer 1	Education/training	13,332	100	484	255	27.7	Q2 2024	BREEAM-SE, planned 2023
New build	Luleå	Biet 4	Office	4,920	100	206	102	14.1	Q2 2024	BREEAM-SE, planned 2024
Improvement	Umeå	Vale 17	Offices / Homes	5,030 / 2,800	1,001	338	14	14.6 <sup>1</sup>	Q1 2025	BREEAM-SE, Svanen <sup>1</sup>
<b>Completed or partially occupied projects</b>										
New build	Umeå	Magne 5	Hotel	14,500	100	402	390 <sup>2</sup>	26.2	Q3 2022	BREEAM-SE, very good
Improvement	Borlänge	Intagan 1	Office	31,000	100	555	547	52.9	Q4 2022	BREEAM In-Use very good
New build	Umeå	Stigbygeln 2	Office	9,646	100	265	246	19.8	Q4 2022	BREEAM-SE, very good
Improvement	Sundsvall	Aeolus 5	Residential	2,597	-	48	48	3.8	Q1 2023	-
<b>Total</b>				<b>91,147</b>		<b>2,531</b>	<b>1,770</b>			

<sup>1</sup> Relates to the residential section.

<sup>2</sup> Lifting of dormant VAT on completion.

Tenants in the central, regional or local government sectors.



## Comments on the balance sheet, continued

### Note 12 Equity

At 31 March, equity was SEK 11,768m (12,102). The equity ratio was 37.4 per cent (38.1), which exceeds the target of 35 per cent.

### Note 13 Interest-bearing liabilities

During the quarter, we linked the majority of outstanding bank loans at Handelsbanken to sustainability. The share of green and sustainability-linked debt is now 53 per cent. In addition, a maturity of SEK 300m of an SFF bond has been refinanced in a bank. The certificate market has been relatively stable with retained outstanding volumes.

Interest-bearing liabilities in the Group were SEK 16,668m (16,259). The change is due to a larger property portfolio as a result of completed acquisitions and project investments. Of total interest-bearing liabilities, SEK 13,771m (13,010) refers to bank financing, SEK 480m (790) to covered bonds, SEK 527m (570) to commercial paper and SEK 1,900m (1,900) of unsecured bonds. Amortised cost of the commercial paper amounted to SEK 525m (568). Future refinancing will normally be completed 3-9 months before the maturity date. At the end of the period, the loan-to-value ratio in the Group was 53.7 per cent (51.9). The secured loan-to-value ratio amounted to 45.9 percent (44.0). The average annual interest rate, including the cost of derivatives and loan commitments, was 4.1 per cent (3.2) at the end of the period and the interest coverage ratio for the period was 2.5 times (4.6).

### Fixed-rate terms and loan maturities

The average fixed-rate term of the loans, including derivatives, was 1.5 years (0.8) and the average loan maturity 2.3 years (2.4). Of the Group's outstanding loans, SEK 527m (570) is subject to fixed interest rates, of which SEK 527m (570) refers to commercial paper.

### Interest and loan maturity structure at 31 March 2023

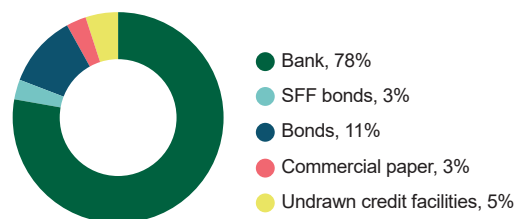
Maturity year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm <sup>1</sup>	Average annual interest rate <sup>2</sup> , %	Credit agreements, SEKm	Drawn, SEKm
2023	5,021	4.4	3,589	3,589
2024	8,565	4.7	6,484	6,234
2025	343	4.5	-	-
2026	2,749	4.9	3,746	3,004
2027+	-	-	3,851	3,851
<b>Drawn credit facilities</b>	<b>16,678</b>	<b>4.6</b>	<b>17,670</b>	<b>16,678</b>
Undrawn credit facilities <sup>3</sup>	991	0.0		
Financial instruments	6,250	-0.6		
<b>Total</b>		<b>4.1</b>		

<sup>1</sup> Nominal amount.

<sup>2</sup> Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 31 March 2023.

<sup>3</sup> The cost of undrawn credit facilities affects the average annual interest rate by 0.02 percentage points.

### Breakdown of interest-bearing financing



## Comments on the balance sheet, continued

### Derivatives

New derivatives were subscribed for during the quarter amounting to SEK 1,750m. In addition, one derivative was restructured and extended and one derivative was extended. This meant that the remaining maturity increased to 3.4 years compared with 2.4 years at the end of the year. These changes were made to limit the impact of further rising market interest rates.

Of the Group's total interest-bearing liabilities, SEK 6,250m (4,500) has been interest hedged through derivative instruments. At 31 March 2023, the market value of the derivative portfolio was SEK 64m (143). The financial instruments limit the impact of changes in interest rates on our average borrowing cost. All financial instruments are measured at fair value and are classified in Level 2 in accordance with IFRS 13, which means that the measurement is based on observable market data (see Note 23 in the Annual Report 2022). Changes in value are recognised through profit or loss.

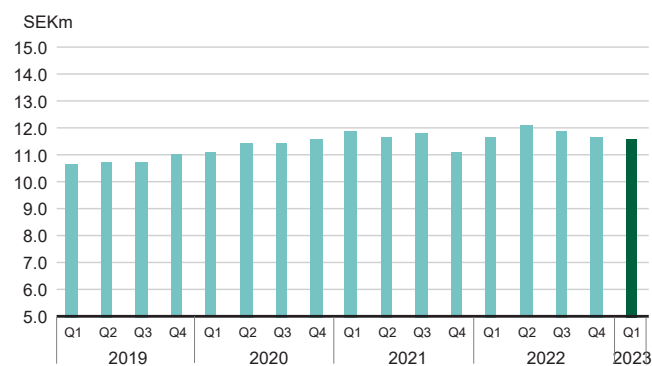
### Note 14 Cash and cash equivalents and overdraft facilities

Consolidated cash and cash equivalents at the end of the period were SEK 58m (88) and drawn overdraft facilities were SEK 0m (0). The approved credit limit on the overdraft facility was SEK 600m (600) and the total liquidity reserve less outstanding certificates was SEK 1,122m (1,218).

### Derivative contracts as at 31 March 2023

Type	Nominal value, SEKm	Remaining maturity, years	Swap rate, %	Market value, SEKm
Interest rate swaps	1,500	4.9	1.99	10.5
Interest rate swaps	1,000	2.9	2.77	-9.1
Interest rate swaps	1,000	0.7	-0.05	27.3
Interest rate swaps	1,250	4.9	2.65	-19.4
Interest rate swaps	500	1.8	0.05	32.9
Interest rate swaps	500	1.3	0.00	25.9
Interest rate swaps	500	5.0	2.45	-4.3
<b>Total</b>	<b>6,250</b>	<b>3.4</b>	<b>1.64</b>	<b>63.7</b>

### Net debt, EBITDA

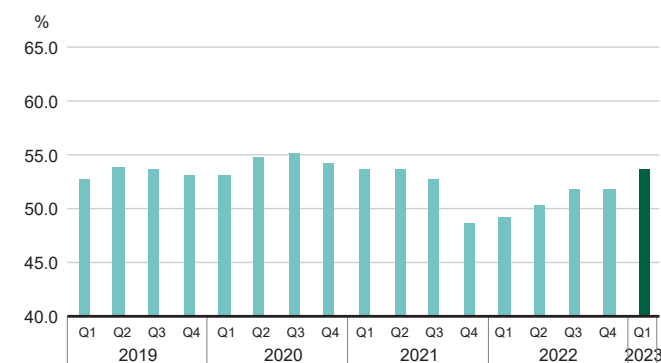


### Sensitivity analysis as at 31 March 2023<sup>1</sup>

	Change in annual average interest rate, %	Change in annual average interest expense, SEKm	Change in market value, SEKm
Loan portfolio excl. derivatives	1.0	+162	
Derivatives portfolio	-0.1	-20	+328
<b>Loan portfolio incl. derivatives</b>	<b>0.9</b>	<b>+142</b>	<b>+328</b>

<sup>1</sup>If market interest rates increase by 1 percentage point

### Loan-to-value ratio



# Cash flow

## Condensed consolidated cash flow statement, SEKm

	2023 3 months Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
<b>OPERATING ACTIVITIES</b>			
Operating surplus	389	336	1,469
Central administration	-18	-18	-90
Reversal of depreciation, amortisation and impairment	0	1	0
Interest received	1	0	4
Interest paid	-150	-47	-302
Tax paid	-8	-20	-16
<b>Cash flow from operating activities before changes in working capital</b>	<b>214</b>	<b>252</b>	<b>1,065</b>
<b>Changes in working capital</b>			
Decrease (+)/increase (-) in receivables	-50	-86	-106
Decrease (-)/increase (+) in liabilities	-115	81	178
<b>Total changes in working capital</b>	<b>-165</b>	<b>-5</b>	<b>72</b>
<b>Cash flow from operating activities</b>	<b>49</b>	<b>247</b>	<b>1,137</b>
<b>INVESTING ACTIVITIES</b>			
Investments in new builds, conversions and extensions	-360	-307	-1,307
Acquisition of properties	-	-1,150	-2,004
Sale of properties	0	2	28
<b>Cash flow from investing activities</b>	<b>-360</b>	<b>-1,320</b>	<b>-3,283</b>

	2023 3 months Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
<b>FINANCING ACTIVITIES</b>			
Dividends paid	-124	-	-371
Sale of own shares	-	9	9
Acquisition of minority interests	-	-68	-65
New borrowing, interest-bearing liabilities	433	252	1,599
Repayment and redemption of interest-bearing liabilities	-28	-23	-88
Change in overdraft facility	-	-	-
<b>Cash flow from financing activities</b>	<b>281</b>	<b>170</b>	<b>1,084</b>
<b>Cash flow for the period</b>	<b>-30</b>	<b>-903</b>	<b>-1,062</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>88</b>	<b>1150</b>	<b>1,150</b>
<b>Cash and cash equivalents at end of period</b>	<b>58</b>	<b>247</b>	<b>88</b>

# Reporting per business unit at 31 March

Figures refer to SEK million unless otherwise indicated.

By business unit	Dalarna		Gävle		Sundsvall		Åre/Östersund		Umeå		Skellefteå		Luleå		Group	
	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar
Rental income	102	78	58	50	84	76	97	98	83	66	56	47	88	80	569	495
Service income	9	8	6	5	7	7	9	7	6	5	4	4	8	8	48	43
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair and maintenance	-4	-3	-2	-1	-2	-2	-3	-3	-2	-2	-2	-2	-3	-2	-18	-16
Tariff-based costs	-17	-14	-7	-7	-9	-13	-15	-16	-9	-9	-10	-9	-11	-10	-77	-77
Property tax	-4	-4	-3	-3	-5	-4	-5	-5	-5	-4	-3	-3	-6	-5	-32	-28
Other property costs	-13	-8	-7	-6	-10	-10	-16	-15	-14	-9	-7	-4	-12	-10	-79	-62
Property management	-4	-4	-2	-2	-3	-3	-4	-4	-3	-3	-2	-2	-3	-3	-22	-20
<b>Operating surplus</b>	<b>69</b>	<b>53</b>	<b>41</b>	<b>36</b>	<b>61</b>	<b>51</b>	<b>62</b>	<b>63</b>	<b>57</b>	<b>44</b>	<b>36</b>	<b>32</b>	<b>62</b>	<b>57</b>	<b>389</b>	<b>336</b>
Central administration/net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-169	-65
<b>Property management income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>271</b>
Property, realised	-	-	-	-	-	-	0	-	-	-	-	-	-	-	0	-
Property, unrealised	-74	104	-64	94	-99	31	-71	106	-112	29	-51	96	-93	73	-564	533
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-79	88
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-423</b>	<b>892</b>
Leasable area, sq.m.	324,540	289,540	161,353	158,569	217,396	212,630	314,929	315,099	220,799	207,306	179,017	169,370	210,453	211,009	1,628,487	1,563,523
Rental value	117	93	67	60	100	89	116	107	94	77	68	57	100	90	663	574
Economic occupancy rate, %	93	91	93	89	89	88	89	90	94	91	87	88	96	95	92	90
Surplus ratio, %	63	64	67	68	69	67	60	66	64	64	60	65	64	67	64	65

	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Dec
Property portfolio, 1 January	5,316	4,301	3,148	2,916	4,873	4,545	4,976	4,690	4,747	4,721	3,271	2,256	4,804	4,563	31,136	27,993
Acquisitions	-	545	-	68	-	172	-	154	-	-	-	948	-	118	-	2,004
Investments in new builds, extensions and conversions	95	385	34	102	43	147	43	192	46	128	25	108	74	244	360	1,307
Sales	-	-	-	-	-	-	-	-1	-	-	-	-17	-	-	0	-18
Unrealised changes in value	-74	86	-64	62	-99	9	-71	-60	-112	-102	-51	-25	-93	-121	-564	-150
<b>Property portfolio at end of period</b>	<b>5,337</b>	<b>5,316</b>	<b>3,118</b>	<b>3,148</b>	<b>4,817</b>	<b>4,873</b>	<b>4,948</b>	<b>4,976</b>	<b>4,681</b>	<b>4,747</b>	<b>3,245</b>	<b>3,271</b>	<b>4,785</b>	<b>4,804</b>	<b>30,931</b>	<b>31,136</b>

Columns/rows may not add up due to rounding.

The classification of rental income and service income has changed compared to the previous year, see page 28, accounting principles.



# Financial key ratios

The interim reports use non-IFRS KPIs. We consider that these measures provide valuable additional information for investors, analysts and the company's management, as they enable the evaluation of relevant trends and the company's performance. As not all companies calculate financial measures in the same way, these are not always comparable with the measures used by other companies. These financial measures should therefore not be viewed as substitutes for IFRS-defined measures. The following table presents non-IFRS measures unless otherwise stated. Definitions of these measures are provided on page 31 and in the descriptions of the purpose of the various KPIs in the annual report for 2022. The financial targets for 2023 adopted by the Board are presented on page 2 of this report.

Figures refer to SEK million unless otherwise indicated.

SHARE INFORMATION	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Number of shares outstanding at end of period (thousands)	141,431	141,431	141,431
Average number of shares ('000)	141,431	141,417	141,428

There is no dilutive effect, as no potential shares (such as convertibles) exist.

PROPERTY MANAGEMENT INCOME	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Profit before tax	-423	892	1,045
Reversal			
Change in value, properties	564	-533	140
Change in value, derivatives	79	-88	-104
<b>Property management income</b>	<b>220</b>	<b>271</b>	<b>1,081</b>

## EPRA EARNINGS (PROPERTY MANAGEMENT INCOME AFTER TAX)

Property management income	220	271	1,081
Current tax attributable to property management income	-8	-34	-16
Profit attributable to non-controlling interests	-	-	-
<b>EPRA earnings</b>	<b>212</b>	<b>237</b>	<b>1,064</b>
<b>EPRA earnings per share, SEK</b>	<b>1.50</b>	<b>1.68</b>	<b>7.52</b>

LOAN-TO-VALUE RATIO	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Interest-bearing liabilities	16,668	14,973	16,259
Reversal			
Cash and cash equivalents	-58	-247	-88
Drawn overdraft facilities	-	-	-
<b>Net debt</b>	<b>16,610</b>	<b>14,727</b>	<b>16,171</b>
<b>Investment properties</b>	<b>30,931</b>	<b>29,847</b>	<b>31,136</b>
<b>Loan-to-value ratio, %</b>	<b>53.7</b>	<b>49.3</b>	<b>51.9</b>

SECURED LOAN-TO-VALUE RATIO	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Net debt	16,610	14,727	16,171
Unsecured liabilities	-2,427	-4,107	-2,470
<b>Secured liabilities</b>	<b>14,183</b>	<b>10,620</b>	<b>13,701</b>
<b>Investment properties</b>	<b>30,931</b>	<b>29,847</b>	<b>31,136</b>
<b>Secured loan-to-value ratio, %</b>	<b>45.9</b>	<b>35.6</b>	<b>44.0</b>

INTEREST COVERAGE RATIO	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Property management income	220	271	1,081
Reversal			
Financial costs	150	47	302
Total	370	318	1,382
Financial costs	150	47	302
<b>Interest coverage ratio, times</b>	<b>2.5</b>	<b>6.8</b>	<b>4.6</b>

NET DEBT TO EBITDA	2023 3 mos Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Interest-bearing liabilities	16,668	14,973	16,259
Cash and cash equivalents	-58	-247	-88
Overdraft facilities	-	-	-
<b>Net debt</b>	<b>16,610</b>	<b>14,727</b>	<b>16,171</b>
Operating surplus	1,522	1,336	1,469
Central administration	-92	-72	-90
Reversal			
Depreciation and amortisation	5	4	4
<b>EBITDA</b>	<b>1,436</b>	<b>1,259</b>	<b>1,383</b>
<b>Net debt to EBITDA</b>	<b>11.6</b>	<b>11.7</b>	<b>11.7</b>

EQUITY RATIO	2023 3 months Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Equity	11,768	12,471	12,102
Total assets	31,488	30,555	31,733
<b>Equity ratio, %</b>	<b>37.4</b>	<b>40.8</b>	<b>38.1</b>

## EPRA NRV/NTA

Equity	11,768	12,471	12,102
Equity relating to non-controlling interests	-	-	-
Reversal			
Fair value of financial instruments	-64	-126	-143
Deferred tax on temporary differences	2,173	2,230	2,257
<b>EPRA NRV</b>	<b>13,878</b>	<b>14,575</b>	<b>14,216</b>
<b>EPRA NRV per share</b>	<b>98.1</b>	<b>103.1</b>	<b>100.5</b>

## DEDUCTIONS

Fair value of financial instruments	64	126	143
Estimated actual deferred tax on temporary differences, approx. 4% <sup>1</sup>	-405	-424	-421
<b>EPRA NTA</b>	<b>13,536</b>	<b>14,278</b>	<b>13,938</b>
<b>EPRA NTA per share</b>	<b>95.7</b>	<b>101.0</b>	<b>98.6</b>

## EPRA NDV

Equity	11,768	12,471	12,102
Equity relating to non-controlling interests	-	-	-
<b>EPRA NDV</b>	<b>11,768</b>	<b>12,471</b>	<b>12,102</b>
<b>EPRA NDV per share</b>	<b>83.2</b>	<b>88.2</b>	<b>85.6</b>

<sup>1</sup> Estimated actual deferred tax has been calculated at approx. 4 per cent based on a discount rate of 3 per cent. The calculation is based on the assumption that the property portfolio will be realised over a period of 50 years, with 10 per cent of the portfolio being sold directly subject to a nominal tax rate of 20.6 per cent, and the remaining 90 per cent being sold indirectly through companies subject to a nominal tax rate of 6 per cent.

OTHER KPIS	2023 3 months Jan-Mar	2022 3 mos Jan-Mar	2022 12 months Jan-Dec
Return on equity, %	-1.7	22.6	7.0
Equity per share, SEK	83.2	88.2	85.6
Earnings per share, SEK	-2.36	5.00	5.87

## CASH FLOW PER SHARE, SEK

Profit before tax	-423	892	1,045
Reversal			
Unrealised change in value, properties	564	-533	150
Unrealised change in value, derivatives	79	-88	-104
Depreciation and amortisation	2	1	4
Current tax	-8	-20	-16
<b>Total</b>	<b>214</b>	<b>252</b>	<b>1,079</b>
<b>Average number of shares ('000)</b>	<b>141,431</b>	<b>141,470</b>	<b>141,428</b>
<b>Cash flow per share, SEK</b>	<b>1.51</b>	<b>1.78</b>	<b>7.63</b>

## NET LEASING, SEK MILLION

Newly signed contracts	87	66	227
Terminated contracts	-84	-44	-150
<b>Net leasing</b>	<b>3</b>	<b>22</b>	<b>77</b>

## OTHER INFORMATION

Contracted rental income, SEKm	607	520	2,164
Economic occupancy rate, %	92	90	91
Surplus ratio, %	64	65	68
Debt/equity ratio, times	1.4	1.2	1.3

## EPRA VACANCY RATE

Estimated market rent for vacant space	198	195	204
Annualised rental value, whole portfolio	2,584	2,227	2,391
<b>EPRA vacancy rate, %</b>	<b>7.6</b>	<b>8.8</b>	<b>8.5</b>

## Financial key ratios, cont.

### Summary of quarterly results

	31 Mar 2023 Q1	31 Dec 2022 Q4	30 Sept 2022 Q3	30 June 2022 Q2	31 Mar 2022 Q1	31 Dec 2021 Q4	30 Sep 2021 Q3	30 June 2021 Q2
Revenue, SEKm	617	568	559	543	539	500	480	504
Operating surplus, SEKm	389	365	388	380	336	321	325	353
Property management income, SEKm	220	213	283	313	271	250	261	288
Profit for the period, SEKm	-333	-113	-120	356	708	965	402	435
Surplus ratio, %	64	66	70	71	65	65	68	76
Economic occupancy rate, %	92	91	92	91	90	89	89	88
Equity ratio, %	37.4	38.1	38.1	39.1	40.8	40.2	36.5	36.0
Property loan-to-value ratio, %	53.7	51.9	51.8	50.4	49.3	48.6	52.7	53.8
Average interest rate at end of period, % <sup>1</sup>	4.1	3.2	2.5	1.8	1.1	1.1	1.1	1.1
Interest coverage ratio, times	2.5	2.8	5.7	7.1	6.8	5.9	6.4	7.0
Property management income per share, SEK	1.56	1.51	2.00	2.21	1.92	1.83	1.95	2.15
Earnings per share after tax, SEK	-2.36	-0.80	-0.84	2.52	5.00	7.03	2.98	3.22
Equity per share, SEK	83.2	85.6	86.3	87.2	88.2	83.6	75.1	72.1
Market price per share, SEK	68.9	75.5	70.5	71.1	102.4	118.8	85.4	88.7

<sup>1</sup> Includes expenses relating to commitment commission and derivatives.



Linnéa Lord, Sustainability Controller.

# Parent company

The activities of the parent company consist of central Group functions as well as the ownership and operation of the Group's subsidiaries. Revenue totalled SEK 51m (43) and the profit after tax was SEK 26m (21). Income referred chiefly to services sold to the Group's subsidiaries.

## Condensed parent company income statement and statement of comprehensive income, SEKm

	2023 3 mos Jan-Mar	2022 3 months Jan-Mar	2022 12 months Jan-Dec
<b>INCOME STATEMENT</b>			
Revenue	51	43	189
<b>Gross profit</b>	<b>51</b>	<b>43</b>	<b>189</b>
Central administration	-58	-49	-232
<b>Operating profit</b>	<b>-7</b>	<b>-6</b>	<b>-43</b>
Income from interests in Group companies	-	-	124
Financial income	239	112	647
Financial costs	-206	-85	-501
<b>Profit after financial items</b>	<b>26</b>	<b>21</b>	<b>227</b>
Appropriations	-	-	15
<b>Profit after appropriations</b>	<b>26</b>	<b>21</b>	<b>242</b>
Current tax	-	-	0
<b>Profit after tax</b>	<b>26</b>	<b>21</b>	<b>242</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Profit after tax</b>	<b>26</b>	<b>21</b>	<b>242</b>
<b>Comprehensive income for the year</b>	<b>26</b>	<b>21</b>	<b>242</b>

Cash and cash equivalents at 31 March 2023 were SEK 12m (36) and drawn overdraft facilities were SEK 0m (0). External interest-bearing liabilities, excluding overdraft facilities, totalled SEK 5,875m (5,813), of which SEK 525m (568) referred to outstanding commercial paper. The average annual interest rate based on the situation at 31 March 2023 amounted to 4.6 per cent (3.8).

The parent company prepares its financial reports in compliance with RFR 2 Financial Reporting for Legal Entities.

## Condensed parent company balance sheet, SEKm

	2023 31 Mar	2022 31 Mar	2022 31 Dec
<b>ASSETS</b>			
Investments in Group companies	2,362	2,332	2,362
Receivables from Group companies	19,058	17,870	18,917
Other assets	24	17	24
Cash and cash equivalents	12	221	36
<b>Total assets</b>	<b>21,456</b>	<b>20,440</b>	<b>21,339</b>
<b>Equity and liabilities</b>			
Equity	3,254	3,506	3,228
Untaxed reserves	1	16	1
Interest-bearing liabilities	5,875	5,660	5,813
Liabilities to Group companies	12,283	11,200	12,115
Overdraft facilities	-	-	-
Other liabilities	43	58	182
<b>Total equity and liabilities</b>	<b>21,456</b>	<b>20,440</b>	<b>21,339</b>

# Taxonomy reporting

The EU Taxonomy Regulation aims to define economic activities that are sustainable and live up to the Union's growth strategy. Diös is not yet covered by the reporting requirements of the EU taxonomy but chooses to report for increased transparency and comparability in the industry.

The entire business of Diös is assessed to be covered by the EU's taxonomy through our primary economic activity, which constitutes the acquisition and ownership of properties, activity 7.7. Management includes activities that can be classified under activities 7.2 - 7.6. If these are not carried out separately, they are accounted for under activity 7.7.

The economic activities are exposed to environmental objectives 1 to limit our climate impact. As property owners, we can contribute to the climate change in society by making our properties more efficient, making demands on our suppliers about renewable energy, and promoting a small climate footprint in connection with new production, as well as renovation and extension.

Properties meeting the criteria for a significant contribution to Objective 1 are compatible with the taxonomy's technical review criteria. Properties are subsequently classified on the basis of how they meet criteria for DNSH to the other five environmental and climate goals. Properties with a classified low or medium risk, or that the climate risk as such is assessed as low in local mapping, are deemed to be compatible with the taxonomy's Objective 2 and do no harm to other environmental and climate targets.

The Diös Annual Report for 2022 contains additional information on the company's taxonomy reporting.

## Minimum safeguards

The property industry not only affects the environment and climate, the taxonomy also emphasises social issues through requirements on minimum social safeguards. No comments, reports or notifications of violations were received during the quarter. Diös is thus deemed to

meet the EU taxonomy's requirements for minimum safeguards in accordance with the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

## Interpreting KPIs

**Revenue:** Rental income excluding forward-charged property tax and service income related to property management.

**Capital expenditure:** Operating expenses that increase the value of the properties including redevelopment, new construction and acquisitions and additional rights of use during 2023.

**Operating expenditure:** All ongoing costs related to internal and external property management and repair and maintenance, in order to maintain the value of our properties.

## Reporting EU taxonomy

Economic activities covered by the taxonomy	Share of total, %	Amount, SEK '000s	Significant contribution to objectives:		Do no significant harm (DNSH) to objectives:		
			1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution
ACTIVITIES COVERED BY THE TAXONOMY							
<b>7.7 Acquisitions and ownership of properties</b>							
Revenue	100	495,860	-	-	-	-	-
Capital expenditure	100	359,700	-	-	-	-	-
Operating expenditure	100	61,804	-	-	-	-	-
ENVIRONMENTALLY SUSTAINABLE ACTIVITIES COMPATIBLE WITH TAXONOMY (TAXONOMY ALIGNED)							
<b>7.7 Acquisitions and ownership of properties</b>							
Revenue	9.2	45,386		J	J	J	J
Capital expenditure	1.8	6,476		J	J	J	J
Operating expenditure	7.8	4,804		J	J	J	J
ACTIVITIES COVERED BUT NOT TAXONOMY-COMPATIBLE							
<b>7.7 Acquisitions and ownership of properties</b>							
Revenue	90.8	450,474	-	-	-	-	-
Capital expenditure	98.2	353,224	-	-	-	-	-
Operating expenditure	92.2	57,000	-	-	-	-	-

Key performance indicators are presented on page 21.



## Four reasons to invest in Diös



**Unique position in an attractive market**



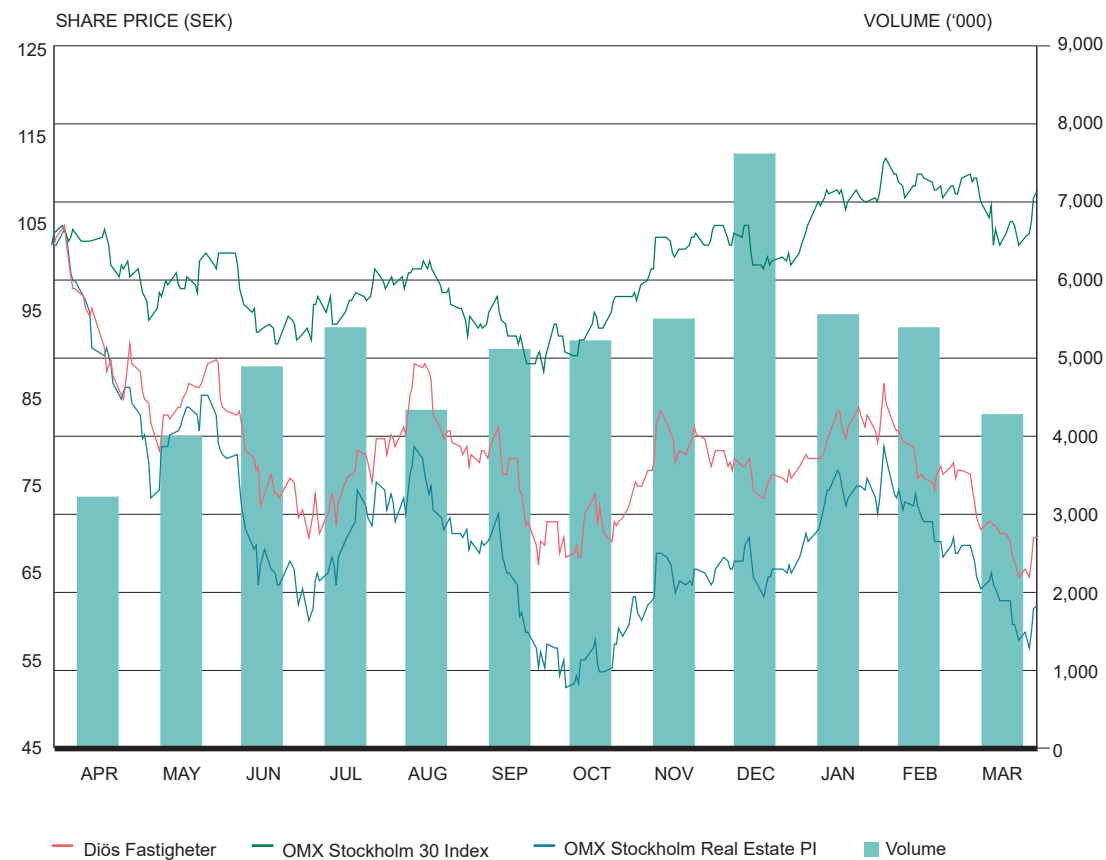
**Long-term sustainable business model**



**Value creation through three revenue streams**



**Strong and stable cash flows**



# Share information

## Share performance

Diös' share price at the end of the period was SEK 68.9 (75.5), which represents a market capitalisation of SEK 9,762m (10,698), and the return for the past 12 months was -32.8 per cent (-36.5). If the dividend is included, the total return on the shares for the period was -29.7 per cent (-34.3). The return on the OMX Stockholm 30 Index was 6.1 per cent (-15.6) and the return on the OMX Stockholm Real Estate PI index was -40.3 per cent (-44.7).

At 31 March, Diös Fastigheter AB had 18,711 shareholders (19,057). The share of foreign-owned shares was 22.4 per cent (21.1) while the total number of shares during the period remained unchanged at 141,785,165 (141,785,165). The single largest shareholder was AB Persson Invest, with 15.6 per cent (15.6) of the shares. The ten largest shareholders accounted for 54.6 per cent (56.1) of the total number of shares and voting rights.

The Annual General Meeting 2023 resolved to authorise the company to buy back ten per cent of the total number of outstanding shares of the company.

No new changes of ownership were flagged during the period.

Diös Fastigheter AB is a publicly traded company listed on the Nasdaq OMX Nordic Exchange Stockholm, Large Cap list. The ticker symbol is DIOS and the ISIN code SE0001634262.

## Return and net asset value

Our goal is to generate a return on equity in excess of 12 per cent. Return for the period was -1.7 per cent (7.0). Equity at the end of the period was SEK 11,768m (12,102) and the long-term net asset value, EPRA NRV, was SEK 13,878m (14,216). On a per share basis, EPRA NRV was SEK 98.1 (100.5), which means that the share price at 31 March represented 70 per cent (75) of long-term net asset value. The net asset value per share for the period, expressed as EPRA NTA, was SEK 95.7 (98.6).

## Earnings

Earnings per share for the period were SEK -2.36 (5.00) while long-term earnings per share, expressed as EPRA EPS, were SEK 1.50 (1.78). EPRA EPS, which is designed to show an entity's long-term earnings per share, is calculated as property management income after deducting 20.6 per cent corporation tax attributable to property management income less minority share of earnings.

## Largest shareholders

of Diös Fastigheter AB at 31 March 2023

SHAREHOLDER	No. of shares	Capital and votes, %
AB Persson Invest	22,074,488	15.6
Backahill Inter AB	14,857,452	10.5
Länsförsäkringar Fonder	8,846,038	6.2
Nordstjernen AB	8,237,931	5.8
Pensionskassan SHB Försäkringsförening	8,096,827	5.7
Karl Hedin	3,562,547	2.5
Vanguard	3,400,598	2.4
Avanza Pension	3,169,575	2.2
BlackRock	3,065,987	2.2
Sten Dybeck, including company and family	2,175,183	1.5
<b>Total, largest shareholders</b>	<b>77,486,626</b>	<b>54.6</b>
Treasury shares	354,218	0.2
Other shareholders	63,944,321	45.1
<b>Total</b>	<b>141,785,165</b>	<b>100.0</b>

Source: Monitor of Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

# Other information

## Employees and organisation

The number of employees at 31 March 2023 was 160 (147), of whom 65 were women (61). The majority of our employees, 105 people (95), work in our business units and the rest at our head office in Östersund. Our Pick-Pack-Post concept currently employs 5 people (4), of whom 5 were women (4).

## Risks and uncertainties

### Effects of the military conflict in Ukraine

Russia's invasion of Ukraine in mid-February 2022 and the resulting humanitarian disaster is a major setback for the world. Sanctions against Russia and changed world trade affect global flows of goods and capital as well as energy prices. The most obvious effect is rising inflation, higher interest rates and increased risk premiums on the capital market, resulting in higher financing costs.

In addition, there are clear risks for economic growth and that the supply of goods and products where the conflict countries had large production contributions is restricted. For our part, this can lead to higher costs for production materials, supply shortages and longer lead times in the project business, in particular.

### General risks

Material risks and uncertainties affecting the business include market and business intelligence, the business model, the properties, cash flow, financing and sustainability.

Demand and prices in the Swedish property market are influenced by the level of economic activity globally and in Sweden as well as by inflation and interest rates.

Our properties are measured at fair value on an ongoing basis, and changes in value are recognised in the income statement. The effects of changes in value affect the income statement and balance sheet and thus also the related KPIs. Any significant negative impact is managed through a diversified portfolio of centrally located properties in growth cities.

PROPERTY VALUE SENSITIVITY ANALYSIS	Change in property value, %		
	-7.5	0.0	+7.5
Property value, SEKm	28,611	30,931	33,251
Equity ratio, %	32.4	37.4	41.7
Loan-to-value ratio, %	58.0	53.7	49.9

Cash flow consists of income and expenses and is primarily attributable to rent levels, property costs, occupancy rates and interest rates. A change in these items affects cash flow and thus also earnings. Any significant negative impact is managed through a diversified tenant structure, good cost control and active interest rate risk management.

CASH FLOW SENSITIVITY ANALYSIS	Change	Impact on earnings, SEKm <sup>1</sup>
Contracted rental income	+/- 1%	+/- 6
Economic occupancy rate	+/- 1 percentage point	+/- 7
Property costs	-/+ 1%	+/- 8
Interest rate on interest-bearing liabilities	-/+ 1 percentage point	+/- 142

<sup>1</sup> Annualised.

Access to financing is the biggest financial risk and is essential to running a property business. The risk is limited through good relations with banks, good diversification, access to the capital market, and strong finances and KPIs.

A sustainable business model and sustainable behaviour are essential to creating long-term value. Through good internal control and procedures, we take responsibility for building a sustainable long-term business.

For more information on risks and risk management, see Diös' annual report for 2022, pages 62-64, 78, 82 and 126-127.

## Related-party transactions

There were no significant related party transactions in the period. Those related-party transactions which did occur are deemed to have been concluded on market terms.

## Seasonal variations

Costs for operations and maintenance are subject to seasonal variations. Cold weather and snow affect the costs for heating, snow clearance and roof snow removal. The costs are normally higher in the first and fourth quarters.

## Accounting policies

We comply with EU-adopted IFRS standards and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The report for the parent company is prepared in accordance with RFR 2 Financial Reporting for Legal Entities and the Swedish Annual Accounts Act. All property-related transactions in the first quarter have been recognised based on calculations of the preliminary consideration. The final purchase consideration calculation will be obtained during the second quarter of 2023. The accounting policies applied in preparing the interim report are consistent with the accounting policies applied in preparing the consolidated financial statements and annual accounts for 2022, Note 1.

For the financial year 2023, the classification of rental income and service income has changed compared to the previous year. The change means that a higher proportion of the company's total income is deemed to be rental income. The comparison year in the report is recalculated according to the new classification.

Other changed and new IFRS standards that enter into force during the year, or the coming periods are not assessed as having any significant impact on the consolidated reports and financial statements.

## Report signatures

The Board of Directors and Chief Executive Officer declare that the interim report gives a true and fair view of the company's and Group's operations, financial position and income, and describes the principal risks and uncertainties faced by the company and the companies in the Group. This interim report has not been subject to review by the company's auditor.

*Financial reports can be viewed in full on Diös' website, [www.dios.se](http://www.dios.se).*

Östersund, 28 April 2023

Bob Persson  
*Chairman*

Peter Strand  
*Board member*

Erika Olsén  
*Board member*

Ragnhild Backman  
*Board member*

Tobias Lönnevall  
*Board member*

P-G Persson  
*Board member*

Mathias Tallbom  
*Board member*  
*Employee representative*

Knut Rost  
*Chief Executive Officer*

## Financial calendar

Q2, Interim Report January-June 2023 7 July 2023

Q3, Interim Report January-September 2023 27 October 2023

## Significant events after the reporting period

There have been no significant events since the reporting date.

## Dividend

At the 2023 Annual General Meeting on 18 April, a resolution was passed to approve the dividends according to the Board of Directors' proposal on the following dates:

1st payment date, 25 April 2023	SEK 0.50 per share
2nd payment date, 25 July 2023	SEK 0.50 per share
3rd payment date, 25 Oct 2023	SEK 0.50 per share
4th payment date, 25 Jan 2024	SEK 0.50 per share

## For further information, please contact

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### **Rolf Larsson, CFO**

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*This constitutes information which Diös Fastigheter AB is required to publish under the EU's Market Abuse Regulation (EU no. 596/2014).*

*The information was submitted for publication through the above contact person on 28 April, at 7:00 A.M. CET.*

# Definitions

## Financial

### Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity at the end of the period.

### Equity ratio

Equity divided by total assets at the end of the period.

### Interest coverage ratio

Income from property management after reversal of financial costs, divided by financial costs for the period.

### Loan-to-value ratio, properties

Net debt divided by the carrying amount of the properties at the end of the period.

### Net debt

Net debt is calculated as interest-bearing liabilities less cash and cash equivalents plus drawn overdraft facilities.

### Number of shares at end of period

Actual number of shares outstanding at the end of the period.

### Return on equity

Profit for the period attributable to parent company shareholders divided by average equity attributable to parent company shareholders. Average equity is calculated as the sum of the opening and closing balance divided by two.

### Return on total assets

Profit before tax plus financial costs divided by average assets. Average assets are calculated by adding the opening and closing balances and dividing by two.

### Secured loan-to-value ratio

Net debt less amortised cost on the commercial paper and a nominal amount for unsecured bonds divided by the properties' book value at the end of the period.

### Service income

Income relating to tariff-based services and income from the care and upkeep of properties.

## Share-related

### Average number of outstanding shares

Number of shares outstanding at the beginning of the period, adjusted by the number of shares issued or withdrawn during the period weighted by the number of days that the shares were outstanding in relation to the total number of days in the period.

### Cash flow per share

Profit before tax, adjusted for unrealised changes in value, plus depreciation and amortisation less current tax divided by the average number of outstanding shares.

### Dividend per share

Approved or proposed dividend divided by the number of shares outstanding at the end of the period.

### Earnings per share

The profit for the period after taxation, attributable to shareholders, divided by the average number of outstanding shares.

### EBITDA

Operating surplus less central administration after reversal of scheduled depreciation and amortisation. The calculation is made on 12-month rolling basis, unless otherwise stated.

### EPRA earnings

Property management income less nominal tax attributable to property management income, divided by average number of shares. Taxable property management income refers to property management income less, inter alia, tax-deductible depreciation and amortisation and redevelopments.

### EPRA Net Disposal Value (NDV)

Equity at the end of the period as per balance sheet adjusted for the non-controlling interests' share of the equity.

### EPRA Net Reinstatement Value (NRV)

Equity at the end of the period as per balance sheet after reversal of interest rate derivatives and deferred tax attributable to temporary differences in properties and non-controlling interests' share of the equity.

### EPRA Net Tangible Asset (NTA)

Equity at the end of the period as per balance sheet adjusted for the fair value of interest rate derivatives and actual deferred tax attributable to temporary differences in properties and non-controlling interests' share of the equity.

### Equity per share

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

### Net debt to EBITDA

Net debt is calculated as interest-bearing liabilities less cash and cash equivalents plus overdraft facilities. Net debt is then divided by EBITDA.

## Property-related / other

### Carbon dioxide equivalents, CO<sub>2</sub>e

Indicates the greenhouse effect of an emission of a gas compared to emissions of the corresponding amount of carbon dioxide (CO<sub>2</sub>).

### Comparable properties

Comparable properties refer to properties which have been owned throughout the period and the whole comparative period. The term is used to highlight growth, excluding one-off effects resulting from early vacating of properties, and property costs as well as acquired and sold properties.

### Contracted rental income

Rents invoiced for the period less rent losses and rent discounts including service income.

### Economic occupancy rate

Contracted rental income for the period divided by rental value at the end of the period.

### Economic vacancy rate

Estimated market rent for unused premises divided by total rental value.

### EPRA vacancy rate

Estimated market rent for vacant space divided by the annual rental value of the whole property portfolio.

### Green lease

A green annex, produced by Fastighetsägarna, which is added to the ordinary lease agreement and sets forth the framework for joint efforts that contribute to reduced environmental impact and energy use.

### Market value of properties

Estimated market value from the most recent valuation.

### Net leasing

Net annual rent, excluding discounts, for newly signed, terminated and renegotiated contracts. The lease term is not taken into account.

### Operating costs

Costs of electricity, heating, water, care and upkeep of properties, cleaning, insurance and regular maintenance.

### Operating surplus

The rental income less building operating and maintenance costs, ground rent fees, property taxes and property management.

### Physical occupancy rate

Rented area in relation to total leasable area.

### Property category

The main use of the properties is based on the distribution of their areas. Properties are defined according to the purpose and use of the largest proportion of the property's total area.

### Property management income

Revenue less property costs, costs for central administration and net financial items.

### Project property

New builds or improvement properties with an investment amounting to at least 20 per cent of the initial market value and a project period exceeding 12 months. A project property will be returned as an investment property no earlier than 12 months after completion

**New builds** - land and properties with ongoing new builds or that are undergoing complete redevelopment.

**Improvement property** – properties with ongoing or planned conversion or extension work that materially affects the property's operating surplus or standard and/or changes the use of the property.

**Tenant improvements** – properties undergoing conversion or minor improvements to premises.

### Rental value

Rent invoiced for the period plus estimated market rent for unoccupied floor space.

### Surplus ratio

Operating surplus for the period divided by contracted rental income for the period.

### Yield

Operating surplus for the period divided by the properties' market value at the end of the period.

### Yield-on-Cost (YoC)

Operating surplus relative to investment



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## **Presentation of the interim report**

We will present the interim report for January-March 2023 to investors, analysts, the media and other stakeholders on 28 April 2023 at 9:00 a.m. CEO Knut Rost and CFO Rolf Larsson will give a presentation of the results, which will be followed by a question and answer session.

The presentation will be in English and will take the form of an online teleconference. The details and a telephone number for the teleconference are available on our website.

The presentation can be viewed after the event.